

BEFORE THE
FEDERAL COMMUNICATION COMMISSION
Washington D. C. 20554

)
In the matter of) MM Docket Nos. 87-8 and 91-221
Broadcast Services;) FCC 94-32
Television Stations)

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Comments of Thomas C Smith

I am submitting these comments as an individual and do not represent any group. I am a broadcast technician, who has work in the industry for almost 26 years at a number of stations under a number of ownership arrangements. I would like to briefly make a few comments on the issues the commission discussed in this notice and then raise some issues that I believe should also be considered in this inquiry.

I feel that some of the proposed rules concerning television ownership are long overdue. It is my opinion, that some of the limitations on ownership of television stations has hindered the growth and development of broadcast television. I also believe that some ownership limits are still needed to maintain a free market and avoid monopolistic practices.

In reading various accounts on the history of television, it has occurred to me that the ownership rules have been used to slow the growth of television and has not increased the diversity of broadcast voices and viewers choices. The history of television has many stories of existing broadcasters fighting new competition. Examples would include the fights against over the air PAY-TV, VHF-UHF deintermixture and other changes in allocation plans that may have increased competition. It has occurred

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to me that television owners in the past have been have comfortable with limitations in the ownership rules as they have acted to keep them from invading each others markets.

But, I still believe that some ownership rules are still needed in order to avoid monopolistic practices from occurring. There are still a limited number of allocations available and if the rules allowed for anyone to own a very large number of stations, it would be possible to create monopolistic control. There are many examples in the news today, of billion dollar deals in the communication industry. It would not take many of these kinds of large deals to obtain significant control of the television broadcast industry. The main losers in this kind of environment would be smaller businesses involved in or wishing to enter the industry. This would include women and minority groups that the FCC has particularly tried to include as station owners. Most of the growth in the number of stations that have gone on the air in the last 20 years has been due to the efforts of small business persons or groups. I doubt that the FOX network would exist, if these stations had not been built. It is my belief that if the small business person is not able to enter the marketplace at some level, then the marketplace is not truly free. Government should have as one of it's responsibilities the power to maintain free entry to the marketplace for all.

At this point I would like to comment on specific topics discussed in the notice.

MARKET AND DIVERSITY ANALYSIS

The only comments on this part of the notice that I wish to make is that I found comments of the commission to be a reasonable description of the television and media market place. I agree the television station operates mostly at the local level but that the television marketplace operates at both a local and national level. I also agree that while the various media such as radio, cable, newspapers, DBS, MMDS and others operate in different markets these markets do overlap and influence each other. As I found that I agreed with the commission in most cases and that I do not have the knowledge or data to dispute the few parts, I may question, I will accept the commissions analysis for the propose of these discussions.

NATIONAL OWNERSHIP

I agree with the commission that the national ownership limits should be raise as the number of stations has increase greatly since the original limit of seven was set in 1953. The increase in 1984 was much less than the increase in stations or markets containing stations during that 30 year period. I do not have any particular comments on what method or numbers the limits should be set at, but I ask the commission to consider my earlier comments concerning the potential problems of market place dominance in this era of billion dollar telecommunications deals. I doubt that there as been anything in the history of broadcasting that will give any information on how to deal with the implications of these types of transactions. I would like the commission to consider the effects of the ATV transition and its allocation freezes on potential

increases of competition. I also agree that the limits should be incremental in nature as not to uproot the industry. The commission should consider periodic reviews for abuse during the time the ownership limits are increased.

Concerning the issue of satellite television stations and docket 87-8, I believe that the FCC should continue to not count satellite stations against the national ownership limit particularly those areas that are so sparsely populated and spread out that one transmitter cannot cover all the viewers. In fact, the commission should encourage stations to expand their coverage to unserved areas as much as possible with the use of translators and satellite stations, whenever possible.

LOCAL OWNERSHIP

In discussion and proposals pertaining to local ownership, two topics were discussed. The first was Grade B overlap and the second was doulopy.

in the matter of reducing the contour overlap from grade B to grade A, this rule is one that I believe should be changed. The reduction of separation between two commonly owned stations would cause some overlap of coverages, but that overlap would still much less than fifty percent of either stations coverage area. Also, in most markets, this overlap would fall in less populated rural areas. I believe that with the current separation requirements, some owners may have passed on the developing of stations in adjacent smaller markets. They may have owned a station in nearby larger market and were prevented from expanding their group of stations by building or

purchasing in the smaller market due to overlap restrictions. By allowing owners to reduce the separation between commonly owned stations by using reduced contours to determine local coverage, they will be more willing to also serve nearby underserved markets. Many of these small markets are too small to support enough stations to supply the some number of choices as nearby larger markets. It may make economic sense for a station in a larger market to provide service in nearby smaller market with a second station with the larger station providing some of the smaller station's needs such as accounting, billing, programming and engineering help. Should a owner be penalized, when two distinct markets are so close that the transmitters cannot be placed to avoid grade B overlap.

This commenter did some rough calculations, and found that by using the grade A contour as the overlap standard, the existing grade B contours would partly extend into the city grade contour of the other station. If that proved to be objectionable, than the overlap contour points could be limited to grade B meeting Grade A or grade B meeting city grade. Either would keep the other from covering the other's central market areas.

I have some of the same concerns as the commission in the case of ownership of two stations in the same market verses allowing some overlap. There have been a number of articles in the various trade magazines lately concerning the lack of multi-channel capability among broadcasters compared to cable, DBS and MMDS. But, to my knowledge, the rules allow for stations to operate low-power stations in their markets and I have not seen a rush of stations

getting into those operations. While the thought of a healthy operation taking over a failing operation may be desirable, the possibility of market domination is too great a risk to take considering the limited number of stations in most markets. Those numbers are not going to increase soon, because of the proposed reallocation plans for advanced tv.

RADIO-TV CROSS-OWNERSHIP

From the time the FCC started it's prohibition of radio-TV cross-ownership, I considered it a misguided rule. I think it was hard to justify then and it is harder now with the number of radio and TV stations in most areas. Radio and TV are different enough that owning both will not allow one to dominate either market. With radio, there are too many radio stations within most TV station's coverage areas that no one owner could dominate the radio market even with owning a TV station. Also, I doubt that with all the competition in radio that owning a radio station would be of that much help to a TV station. I have to question, that if this rule was not in place, would GENERAL ELECTRIC have divested NBC's radio stations and the NBC radio network when it bought NBC from RCA. An independent radio network was lost in the transaction as the NBC radio network was merged into the WESTWOOD ONE radio networks.

LOCAL MARKETING AGREEMENTS

I have little knowledge of the radio rules concerning LMA's before the FCC allowed for duopoly in radio, but, I feel that they may provide a blueprint for TV LMA's. TV LMA's do exist and there should be some regulation of them as there is the potential for abuse. LMA's may be a way

of helping failing stations, without completely upsetting the competitive balance in a local market, the way the multiple ownership of stations may.

ADVANCED TV TRANSITION

I made mention of this twice earlier, but one of the things that was not mentioned in the notice of this rulemaking was the transition to advanced television. There is currently a freeze on applications and allocations within 100 miles of the 30 largest markets. This freeze affects many more than these 30 markets, as many other markets are within 100 miles of these 30 large markets. Also, in the notice describing the transition to ATV, it was stated that no new applications would be accepted for NTSC operation once the allocations for ATV were made. That means that until there is significant progress with the transition to ATV there will not be any increases in competition by way of new stations for 10 to 15 years. The only expansion would be the new ATV simulcast transmitters. I feel that the commission should keep the ATV transition in mind when considering changes in the ownership rules.

SUMMARY


In conclusion, I would like to restate that I do believe that changes in the TV ownership rules are warranted, but the commission still needs to be concerned about the potentials for monopolistic practices and the lack of opportunity for small business persons. I, also, wanted to make my concerns about grade B overlap, radio-TV combinations and the ATV transition known. I believe that both large and small broadcasters have a place in the insuring of diversity in broadcast programming and in the

total mix of television delivery systems.

While my comments may not have had the detail in the answers that you may have been seeking, hopefully I was able to raise some points that may not have been considered before. As someone who has been involved in broadcasting for some time I would only like to see it retain it's place in the total mix of media in the future.

Respectfully submitted,

April 14, 1995

A handwritten signature in cursive script, reading "Thomas C. Smith". The signature is fluid and stylized, with the first letters of each word being capitalized and prominent.

Thomas C Smith

1310 Vandenburg Street

Sun Prairie, Wi. 53590